

Commonwealth of Kentucky
Division for Air Quality
PERMIT STATEMENT OF BASIS

Conditional Major Draft Permit No. F-03-024
Heaven Hill Distilleries, Inc.
1064 Loretto Road, Bardstown, Kentucky 40004, October 20, 2003
Monika Kannadaguli
Plant I.D. # 21-179-00005
Application Log # 55458

SOURCE DESCRIPTION:

Heaven Hill Distilleries, Inc. is proposing renewal of their Federally enforceable permit (Permit Number: F-97-018, expired on January 22, 2003) to operate their existing whisky processing and bottling plant located at Bardstown, KY. The primary emission units from the source are listed below:

Emissions Unit: 01 (05-1)	Barrel Aging
Emissions Unit: 02 (06-1)	Barrel Dumping
Emissions Unit: 03 (07-1)	Outside Storage Tanks
Emissions Unit: 04 (07-2)	Inside Bottling Tanks
Emissions Unit: 05 (08-1)	Bottle Filling Lines
Emissions Unit: 06 (09-1)	Equipment Leaks
Emissions Unit: 07 (13-1)	Bottling House Cooling Tower
Emissions Unit: 08 (10-1 & 10-2)	Indirect Heat Exchangers
Emissions Unit: 09 (10-3)	Indirect Heat Exchangers

The potential emissions of process volatile organic compounds (VOC) and sulfur dioxide are more than 100 tons per year from the source operating at full capacity. However, the permittee decided to accept emission caps to stay under major source thresholds as defined in 401 KAR 52:030. Process VOC and sulfur dioxide emissions are limited to less than 100 tons in any consecutive 12 months.

EMISSION AND OPERATING CAPS DESCRIPTION:

1. In accordance with 401 KAR 52:030, Section 1, source wide emissions of sulfur dioxide and volatile organic compounds shall not equal or exceed 100 tons on a twelve month rolling average.
2. Total #2 fuel oil burned in three indirect heat exchangers (emission units 8 and 9) shall not exceed 2.535 million gallons during any consecutive twelve months period.
3. Sulfur content of the #2 fuel oil burned shall not exceed 0.5 weight percent.
4. Spirits processed at each emission unit (03: outside storage tank, 04: inside storage tank, and 05: bottle filling lines) shall be limited to 71, 372, 869 proof gallons during any consecutive 12 months period, to preclude the applicability of 401 KAR 52:20.

REGULATION APPLICABILITY:

- 401 KAR 52:030, Federally-enforceable permits, Conditional Major.
- 401 KAR 63:010, Fugitive emissions.
- 401 KAR 61:015, Existing indirect heat exchangers, applicable to an emissions unit with a capacity of less than 250 mmBTU/hour that commenced before April 9, 1972.
- 401 KAR 59:015, New indirect heat exchangers, applicable to an emissions unit with a capacity of less than 250 mmBTU/hour and commenced on or after April 9, 1972.

CREDIBLE EVIDENCE:

This permit contains provisions, which require that specific test methods, monitoring or recordkeeping be used as a demonstration of compliance with permit limits. On February 24, 1997, the U.S. EPA promulgated revisions to the following federal regulations: 40 CFR Part 51, Sec. 51.212; 40 CFR Part 52, Sec. 52.12; 40 CFR Part 52, Sec. 52.30; 40 CFR Part 60, Sec. 60.11 and 40 CFR Part 61, Sec. 61.12, that allow the use of credible evidence to establish compliance with applicable requirements. At the issuance of this permit, Kentucky has not incorporated these provisions in its air quality regulations.